



**TERMS OF REFERENCE
FINANCIAL AUDIT COMMITTEE**

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FURTHER INFORMATION

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1. INTRODUCTION

1.1 Purpose

1.1.1 The purpose of the Financial Audit Committee (FAC) is to review the annual financial audits and management of Global Accreditation Cooperation Incorporated (Global ACI)'s finances and report its results to the Annual Meeting of the General Assembly.

1.1.2 This document defines the terms of reference for the FAC.

1.2 Scope

1.2.1 This document applies to members of the FAC.

1.2.2 These terms of reference should be read in conjunction with Global ACI-GOV-008 *Permanent Committees and Subordinate Groups*.

2. TERMS OF REFERENCE

2.1 Responsibilities of the FAC

2.1.1 The FAC shall review the annual Financial Statement and Report of the independent auditors and report its findings to the members at the Annual Meeting of the General Assembly each year. The purpose of this review shall be to identify and report on management's handling of Global ACI finances including financial reporting, internal controls, and the application of the budget approved by Global ACI General Assembly.

2.1.2 The FAC shall recommend to the Global ACI members to formally approve or not Global ACI's financial performance in the previous financial year.

2.2 Composition

2.2.1 The Financial Audit Committee shall consist of three (3) persons from the Global ACI membership, who are free from any conflict of interest in relation to the financial management of Global ACI for the years being audited.

2.2.2 Members of the FAC shall be elected by the Eligible Voting Members of Global ACI.

2.2.3 The following rules shall apply for membership of the FAC:

2.2.3.1 Two (2) members of the FAC shall be elected from representatives of the Accreditation Body Members of Global ACI;

2.2.3.2 One (1) member of the FAC shall be elected from representatives of the Stakeholder Members;

2.2.3.3 No person serving on the FAC shall be a member of the Global ACI Executive Committee; and

2.2.3.4 A single Global ACI Member may nominate only one (1) person to serve on the FAC.

2.2.4 The FAC shall nominate one (1) of its members as the FAC Chair, a decision that shall subsequently be confirmed at an Annual Meeting.

2.3 Terms of Service

2.3.1 Members of the FAC shall serve for a maximum of two (2) consecutive, three (3) year terms, i.e. a maximum of six (6) years.

2.3.2 A member once having resigned from the FAC or completed the maximum period of service shall not be eligible to serve for a further term.

2.3.3 If a position on the FAC becomes vacant between Annual Meetings, the Executive Committee may appoint a person to serve on the FAC. The Global ACI members shall be asked to endorse the appointment at the following Annual Meeting.

2.4 Meetings

2.4.1 The FAC may meet as it sees fit or conduct its work through virtual meetings or correspondence.

2.5 Access to Information

2.5.1 The members of the FAC shall be provided with full access to all relevant information within Global ACI. The Chair (or the Chair's designated representative) of the FAC shall liaise with the Global ACI Secretary and Global ACI Treasurer to obtain the financial records, minutes of meetings, agenda papers, and any other supporting information that is deemed necessary to conduct a thorough review of the Global ACI accounts.

2.6 Reporting

2.6.1 In accordance with the Global ACI General Rules (Global ACI-GOV-002, 8.7.1 (4)), the FAC reports directly to the General Assembly.

2.6.2 The report of the FAC shall be provided to the Executive Committee at least one month prior to the Annual Meeting of the General Assembly each year. The report from the FAC will be distributed to the Global ACI members by the Global ACI Secretariat prior to the Annual Meeting.

2.6.3 The Chair (or the Chair's designated representative) of the FAC shall present the Committee's report to the General Assembly.

2.6.4 The report may contain recommendations as the Financial Audit Committee sees fit.

3. AMENDMENT TABLE

Section	Previous Version	Summary Of Changes
All	-	New issue of the establishment of Global Accreditation Cooperation Incorporated
All	1.0	Changing Global Accreditation Cooperation Incorporated to Global ACI, including updating of Global ACI contact details